

### State of Arizona

### Douglas A. Ducey Governor

### Office of the Governor

**EXECUTIVE OFFICE** 

May 13, 2019

The Honorable Katie Hobbs Secretary of State 1700 W. Washington, 7<sup>th</sup> Floor Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bill from the Fifty-fourth Legislature, 1st Regular Session, which I signed on May 13<sup>th</sup>, 2019:

- H.B. 2074 treatment and education facilities; exemption (Bowers)
- H.B. 2241 JLAC; political subdivisions; investigation (Kern)
- H.B. 2433 G&F; trophy definition; repeal (Cobb)
- H.B. 2442 community services special plates (Griffin)
- H.B. 2453 land use plans; contents; aggregates (Griffin)
- H.B. 2692 state drink; lemonade (Petersen)
- S.B. 1026 school pupils; emergency medication administration (Carter)
- S.B. 1096 health professionals data; repository (Carter)
- S.B. 1112 juvenile group homes; license; DCS (Pace)
- S.B. 1139 redistricting; legislative district one (Fann)
- S.B. 1261 lobbyists; filings; attestations (Livingston)
- S.B. 1315 victims' rights; refusal of interviews (E. Farnsworth)
- S.B. 1441 county officers; confidentiality; e-mail (Pratt)
- S.B. 1483 vulnerable adults; financial exploitation (Mesnard)
- S.B. 1526 firefighting foam; prohibited uses (Carter)
- S.B. 1534 annuity disclosure; rules (Brophy-McGee)
- S.B. 1535 AHCCCS; opioid treatment programs; requirements (Brophy-McGee)

Sincerely,

Douglas A. Ducey

Governor

State of Arizona

cc:

Senate Secretary

Chief Clerk of the House of Representatives

Arizona News Service

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona Senate Fifty-fourth Legislature First Regular Session 2019

# CHAPTER 218 SENATE BILL 1261

AN ACT

AMENDING SECTIONS 41-1232, 41-1232.01, 41-1232.02, 41-1232.03, 41-1232.07 AND 41-1236, ARIZONA REVISED STATUTES; RELATING TO REGISTRATION AND REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 41-1232, Arizona Revised Statutes, is amended to read:

#### 41-1232. Registration of principals: fee

- A. Except as provided in subsection B OF THIS SECTION, before any principal causes any lobbying to occur on its behalf, the principal shall register with the secretary of state by filing a written statement in a format prescribed by the secretary of state, subscribed under oath PENALTY OF PERJURY, containing the following information:
  - 1. The name and business address of the principal.
- 2. The name and business address of a person who is the designated lobbyist for the principal, regardless of whether  $\frac{1}{1}$  THE person is engaged to lobby for compensation.
- 3. The name and business address of each lobbyist for compensation or authorized lobbyist employed by, retained by or representing the principal.
- 4. For each lobbyist for compensation, designated lobbyist or authorized lobbyist that is not an individual, the name and business address of all employees of that lobbyist who lobby on the principal's behalf.
- 5. The nature of the primary business or activity, issue, interest or purpose of the principal.
  - 6. The duration of the engagement of any lobbyist.
- 7. A description of the expenses for which each lobbyist is to be reimbursed by the principal.
- 8. A listing of the state entities the lobbyist has been engaged or designated to lobby including the legislature and state agencies, boards, commissions or councils.
- B. If a registration as required by subsection A OF THIS SECTION cannot be accomplished or is not practicable in advance of the first attempt or occasion to lobby, registration must occur within five business days after the day on which the first lobbying attempt, occasion or activity occurs.
- C. Each principal shall reregister  $\pi\sigma$  NOT later than 5:00 p.m. on the second Monday in January of each odd numbered year unless at that time the principal no longer engages any lobbyist. A principal shall file its registration at any time beginning December 1 in the even numbered year until 5:00 p.m. on the second Monday in January in the odd numbered year. Each principal shall amend its registration statement within five business days of any change in the information required by subsection A OF THIS SECTION.
- D. A principal shall provide notice to each lobbyist for compensation, authorized lobbyist and designated lobbyist who is named in the principal's registration or reregistration statement. The notice

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shall state that the principal has listed the lobbyist for compensation, authorized lobbyist or designated lobbyist on the principal's registration or reregistration statement and that this listing obligates the lobbyist for compensation or designated lobbyist to register and file all reports required by this article. The notice shall be accompanied by a summary of the lobbyist laws published by the secretary of state, the first page of the principal's registration and the page of the schedule on which the name of the lobbyist for compensation, authorized lobbyist or designated lobbyist appears.

- E. Each principal that registers a lobbyist for compensation or a designated lobbyist who receives compensation for lobbying from the principal, at the time of registering or reregistering, shall pay a registration or reregistration fee of twenty-five dollars \$25 to the secretary of state. No A principal may NOT be charged more than one twenty-five dollar \$25 fee per registration period. Registration and reregistration fees collected by the secretary of state shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund, and, subject to legislative appropriation, the registration and reregistration fees for principals shall be used to reduce the costs associated with enforcing the lobbyist registration laws.
- Sec. 2. Section 41-1232.01, Arizona Revised Statutes, is amended to read:

#### 41-1232.01. Registration by public bodies; fee

- A. Except as provided in subsection B OF THIS SECTION, before any public body causes any lobbying to occur on its behalf, the public body shall register with the secretary of state by filing a written statement in a format prescribed by the secretary of state, subscribed under  $\frac{\sigma}{\sigma}$  PENALTY OF PERJURY, containing the following information:
  - 1. The name and business address of the public body.
- 2. The name and business address of a person who is the designated public lobbyist for the public body, regardless of whether this person is engaged to lobby for compensation.
- 3. The name and business address of each authorized public lobbyist employed by, retained by or representing the public body.
- 4. For each designated public lobbyist or authorized public lobbyist that is not an individual, the name and business address of all employees of such THE designated public lobbyist or authorized public lobbyist who may lobby on the public body's behalf.
- 5. A description of the expenses for which each designated public lobbyist and authorized public lobbyist is to be reimbursed by the public body.
- B. If a registration as required by subsection A OF THIS SECTION cannot be accomplished or is not practicable in advance of the first attempt or occasion to lobby, registration must occur within five business

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days after the day on which the first lobbying attempt, occasion or activity occurs.

- C. Each public body shall reregister  $\overline{no}$  NOT later than 5:00 p.m. on the second Monday in January of each odd numbered year unless at that time the public body no longer engages any designated public lobbyist or authorized public lobbyist. A public body shall file its registration at any time beginning December 1 in the even numbered year until 5:00 p.m. on the second Monday in January in the odd numbered year. Each public body shall amend its registration statement within five business days of any change in the information required by subsection A OF THIS SECTION.
- D. A public body shall provide notice to each designated public lobbyist or authorized public lobbyist who is named in the public body's registration or reregistration statement. The notice shall state that the public body has listed the designated public lobbyist or authorized public lobbyist on the public body's registration or reregistration statement and that this listing obligates the designated public lobbyist to register and file all reports required by this article. The notice shall be accompanied by a summary of the lobbyist laws published by the secretary of state, the first page of the public body's registration and the page of the schedule on which the designated or authorized public lobbyist's name appears.
- E. Each public body that registers a designated public lobbyist who receives compensation for lobbying from the public body, at the time of registering or reregistering, shall pay a registration or reregistration fee of twenty-five dollars \$25 to the secretary of state. No A public body may NOT be charged more than one twenty-five dollar \$25 fee per registration period. Registration and reregistration fees collected by the secretary of state shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund, and, subject to legislative appropriation, the registration and reregistration fees for public bodies shall be used to reduce the costs associated with enforcing the lobbyist registration laws.
- Sec. 3. Section 41-1232.02, Arizona Revised Statutes, is amended to read:

# 41-1232.02. <u>Expenditure reporting; principals and lobbyists;</u> gifts

A. Each principal shall report annually all single expenditures, whether or not the expenditures were made in the course of lobbying. These single expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of each state officer or employee receiving or benefitting from the expenditure, the category of the expenditure and the name of the lobbyist or other person who made the expenditure on behalf of the principal. In addition each principal shall report annually the

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aggregate of all expenditures of twenty dollars \$20 or less received by or benefitting a state officer or employee, whether or not the expenditures were made in the course of lobbying. The report shall be filed by March 1 and shall list the annual expenditures made on behalf of the principal. If March 1 is a Saturday, Sunday or other legal holiday, the report shall be filed on the next business day.

- B. Each lobbyist for compensation and designated lobbyist shall report quarterly all single expenditures incurred in the preceding calendar quarter by the lobbyist for compensation or designated lobbyist, whether or not the single expenditures were made in the course of lobbying. These single expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of the state officer or employee receiving or benefitting from the expenditure, the category of the expenditure and the principal on whose behalf the expenditure was made. If the expenditure was made by the lobbyist and was not made on behalf of a principal, it shall be itemized separately. The quarterly report shall be filed  $\pi\sigma$  NOT later than the last day of the month following the end of the calendar quarter, unless the last day of the month is a Saturday, Sunday or other legal holiday. In that case, the report shall be filed on the next business day.
- Each lobbyist for compensation and designated lobbyist shall also report quarterly the aggregate of all expenditures of twenty dollars \$20 or less received by or benefitting a state officer or employee, whether or not the expenditures were made in the course of lobbying. The report shall list separately the aggregate of expenditures made on behalf of each principal and the aggregate not made on behalf of any principal. In the fourth calendar quarter, these expenditures shall also be listed by cumulative total for the calendar year. Each quarterly lobbyist report shall include all reportable expenditures made by any employee of the lobbyist for compensation or designated lobbyist, regardless of whether that employee is listed as a lobbyist on any registration filed by a principal engaging the lobbyist. The quarterly report shall be filed  $\overline{no}$  NOT later than the last day of the month following the end of the calendar quarter, unless the last day of the month is a Saturday, Sunday or other legal holiday. In that case, the report shall be filed the next business day.
- D. The reports required by subsections A and B of this section shall identify each single expenditure according to the following categories:
  - 1. Food or beverages.
  - 2. Speaking engagement.
  - 3. Travel and lodging.
  - 4. Flowers.

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- 5. Other expenditures.
- E. Expenditures by principals and lobbyists such as those for the lobbyist's personal sustenance, office expenses, filing fees, legal fees, employees' compensation, lodging and travel are not required to be reported. In addition, expenditures by a principal or a lobbyist for family gifts, personal hospitality or those items excluded from the definition of gift pursuant to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h), (i), (j), (k) or (l) are not required to be reported.
- F. All expenditures incurred by a principal or lobbyist in the case of FOR special events for legislators, including parties, dinners, athletic events, entertainment and other functions, to which all members of the legislature, either house of the legislature or any committee of the legislature are invited shall be reported. Expenditures are not required to be allocated to individual legislators, but for each such event a description of the event and the date, location, name of the legislative body invited and total expenditures incurred shall be reported. Expenditures for special events held in conjunction with state, national or regional meetings of an organization or association concerned or dealing with legislative or other governmental activities to which all state officers or state employees in attendance at such event are invited shall be reported in the same manner.
- G. All information required to be filed pursuant to this section with the secretary of state shall be filed in that office and preserved by the secretary of state for five years from the date of filing, after which time the information shall be destroyed. The information is a public record and open to public inspection.
- I. A person or organization shall not make a gift to or an expenditure on behalf of a state officer or employee through another person or organization for the purpose of disguising the identity of the person making the gift or expenditure.
- J. A principal or lobbyist or any other person acting on behalf of a principal or lobbyist shall not give to any state officer or state employee and a state officer or state employee shall not accept from a principal or lobbyist either of the following:
- 1. Gifts with a total value of more than ten dollars \$10 during any calendar year.

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2. Gifts that are designed to influence the state officer's or state employee's official conduct.

Sec. 4. Section 41-1232.03, Arizona Revised Statutes, is amended to read:

# 41-1232.03. Expenditure reporting; public bodies and public lobbyists; gifts

- Each public body shall report annually all single expenditures received by or benefitting a member of the legislature whether or not the expenditures were made in the course of lobbying. These expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of each member of the legislature receiving or benefitting from the expenditure, the category of the expenditure and the name of the designated public lobbyist or authorized public lobbyist who made the expenditure on behalf of the public body. In addition each public body shall report annually the aggregate of all expenditures of twenty dollars \$20 or less received by or benefitting a member of the legislature, whether or not the expenditures were made in the course of lobbying. The report shall list expenditures by the public body made in the course of lobbying for the personal sustenance, filing fee, legal fees, employees' compensation, meals, lodging and travel of the designated public lobbyist and all authorized public lobbyists employed or retained by, and representing, the public body. The public body shall apportion expenditures that are attributable both to lobbying and to other activities of the public body and shall report only the portion attributable to lobbying. For the purpose of reporting employee compensation, a public body, on establishing a time allocation schedule for apportioned lobbying activity based on actual experience under this article, may submit after the 1993 calendar year an affidavit to the secretary of state stating the compensation attributable to lobbying for subsequent years for the designated public lobbyist and all authorized public lobbyists whose job responsibilities have not been significantly altered since the time allocation schedule was established. The report shall be filed by March 1 and shall list the annual expenditures made on behalf of the public body. If March 1 is a Saturday, Sunday or other legal holiday, the report shall be filed on the next business day.
- B. Each designated public lobbyist shall report quarterly all single expenditures received by or benefitting a member of the legislature and incurred in the preceding calendar quarter by the designated public lobbyist, whether or not the single expenditures were made in the course of lobbying. Each designated public lobbyist's report shall also include all single expenditures incurred in the preceding calendar quarter by each authorized public lobbyist who is registered pursuant to section 41-1232.01 by the same public body that registered the designated public

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lobbyist. This subsection does not apply to an expenditure that was made by a designated public lobbyist or authorized public lobbyist and that was received by or benefitted an employee of a public body, if the employee is not a member or employee of the legislature or a member of the household of a member or employee of the legislature. These expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of the member or employee receiving or benefitting from the expenditure, the category of the expenditure and the public body on whose behalf the expenditure was made. If the expenditure was made by the designated public lobbyist or authorized public lobbyist and was not made on behalf of a public body, it shall be itemized separately. The quarterly report shall be filed  $n\sigma$  NOT later than the last day of the month following the end of the calendar quarter, unless the last day of the month is a Saturday, Sunday or other legal holiday. In that case, the report shall be filed on the next business day.

C. Each designated public lobbyist shall also report quarterly the aggregate of all expenditures of twenty dollars \$20 or less received by or benefitting a member of the legislature, whether or not the expenditures were made in the course of lobbying. Each designated public lobbyist's report shall also include the aggregate of all expenditures of twenty dollars \$20 or less that were received by or benefitted a member of the legislature and that were made by an authorized public lobbyist who is registered pursuant to section 41-1232.01 by the same public body that registered the designated public lobbyist. This subsection does not apply to an expenditure that was made by a designated public lobbyist or authorized public lobbyist and that was received by or benefitted an employee of a public body, if the employee is not a member or employee of the legislature or a member of the household of a member or employee of the legislature. The report shall list separately the aggregate of expenditures made on behalf of each public body and the aggregate not made on behalf of any public body. In the fourth calendar quarter, these expenditures shall also be listed by cumulative total for the calendar year. Each quarterly lobbyist report shall include all reportable expenditures made by any employee of the designated public lobbyist or authorized public lobbyist, regardless of whether that employee is listed as a designated public lobbyist or authorized public lobbyist on any registration filed by a public body engaging the designated public lobbyist or authorized public lobbyist. The quarterly report shall be filed  $n\sigma$  NOT later than the last day of the month following the end of the calendar quarter, unless the last day of the month is a Saturday, Sunday or other legal holiday. In that case, the report shall be filed on the next business day.

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- D. The reports required by subsections A and B of this section shall identify the nature of each single expenditure according to the following categories:
  - 1. Food or beverages.
  - 2. Speaking engagement.
  - 3. Travel and lodging.
  - 4. Flowers.
  - 5. Other expenditures.
- E. Expenditures by a public body, designated public lobbyist or authorized public lobbyist for personal sustenance, family gifts, personal hospitality or those items excluded from the definition of gift pursuant to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h), (i), (j), (k) or (l) are not required to be reported.
- F. All expenditures incurred by a public body, designated public lobbyist or authorized public lobbyist in the case of special events for legislators, including parties, dinners, athletic events, entertainment and other functions, to which all members of the legislature, either house of the legislature or any committee of the legislature are invited shall be reported. Expenditures are not required to be allocated to individual legislators, but for each such event a description of the event and the date, location, name of the legislative body invited and total expenditures incurred shall be reported. Expenditures for special events held in conjunction with state, national or regional meetings of an organization or association concerned or dealing with legislative or other governmental activities to which all members or employees of the legislature in attendance at such event are invited shall be reported in the same manner.
- G. All information required to be filed pursuant to this section with the secretary of state shall be filed in that office and preserved by the secretary of state for five years from the date of filing, after which time the information shall be destroyed. The information is a public record and open to public inspection.
- H. If a public body or designated public lobbyist makes no expenditures that it would otherwise be required to report during a specified reporting period, the public body or designated public lobbyist may sign a notarized form UNDER PENALTY OF PERJURY prescribed by the secretary of state indicating that there were no expenditures during the specific reporting period.
- I. A person or organization shall not make a gift to or an expenditure on behalf of a member or employee of the legislature through another person or organization for the purpose of disguising the identity of the person making the gift or expenditure.
- J. A public body, designated public lobbyist or authorized public lobbyist or any other person acting on behalf of a public body, designated

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public lobbyist or authorized public lobbyist shall not give to any member of the legislature and a member of the legislature shall not accept from a public body, designated public lobbyist or authorized public lobbyist either of the following:

- 1. Gifts with a total value of more than  $\frac{1}{1}$  \$10 during any calendar year.
- 2. Gifts that are designed to influence the member's or employee's official conduct.
- K. Subsection J of this section does not apply to gifts given by a public body, designated public lobbyist or authorized public lobbyist to an employee of a public body, if the employee is not a public official or a member of the household of a public official or if the gift is accepted on behalf of the public body and remains the property of the public body.
- Sec. 5. Section 41-1232.07, Arizona Revised Statutes, is amended to read:

### 41-1232.07. <u>Electronic filings</u>

- A. Any report or registration form that is required to be filed pursuant to this article may be filed in an electronic format that is approved by the secretary of state. The secretary of state may require that reports or registration forms be filed with an additional written or printed copy.
- B. Notwithstanding section 41-1236, A report or registration form that is filed in electronic format pursuant to this section is not required to bear a notarized signature but is deemed to be filed under penalty of perjury.
- C. An electronic filing made pursuant to this section is sufficient to comply with the filing requirements of this article if the filing is properly formatted as prescribed by this article and the information contained in the filing is complete and correct.
- Sec. 6. Section 41-1236, Arizona Revised Statutes, is amended to read:

#### 41-1236. Reports and statements under oath

All reports and statements required under this article shall be made under the value of the valu

### APPROVED BY THE GOVERNOR MAY 13, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2019.

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Passed the House May 6, 20,	Passed the Senate Mull 5, 2019,
by the following vote: 58 Ayes,	by the following vote: Ayes,
Nays, 2 Not Voting	Nays,Not Voting
Speaker of the House	Haven Farr President of the Senate
Orin Deale	Susan Aseres
Chief Clerk of the House	Secretary of the Senate
This Bill was received  7th day of  at 1:37	
Governor of Arizona	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE
	This Bill was received by the Secretary of State
S.B. 1261	this 13 day of May , 2019,

Secretary of State